



News Release

April 22, 2010

SIUSLAW FINANCIAL GROUP DECLARES DIVIDEND AND REPORTS EARNINGS FOR 1ST QUARTER, 2010

Florence, OR: (BUSINESS WIRE) Siuslaw Financial Group's (SFGP) Board of Directors declared a cash dividend of \$0.10 per share to common shareholders and \$0.105 per share to preferred shareholders of record as of May 4, 2010 with the dividend to be paid on or before May 11, 2010.

The Company also announced its earnings for the first quarter ending March 31, 2010 at \$688,000 net after tax and a \$450,000 provision for future loan losses. The reported earnings compared to a net of \$1,035,700 reported for the first quarter of 2009 which included a \$250,000 provision for loan losses. Earnings per diluted common share totaled \$0.17 for the quarter and represented a return of average shareholder equity of 9.17%.

"Siuslaw's earnings performance reflects its strategy to limit our lending within our market area of Lane County where we know our customers. We avoided the high rates promised in so-called "sophisticated" but toxic investments, and stayed with the traditional investments found in small bank portfolios. We do have some financially distressed customers we are working with to reduce or minimize their exposure as well as the risk to the bank," according to Johan Mehlum, chairman of the board and chief executive officer.

The company reported \$283.9 million in total assets, deposits of \$241 million and net loans of \$216.8 million on March 31, 2010 compared to \$283.2 million, \$234.1 and \$223.1 million respectively for the same period in 2009.

The bank was recently awarded the 2010 Eugene Register-Guard's "Reader Choice" Award as Lane County's Favorite Bank.

Headquartered in Florence, Siuslaw Financial Group is the parent company of Siuslaw Bank, with offices in Cottage Grove, Creswell, Eugene, Mapleton, Oakridge, Pleasant Hill, Springfield and Veneta, all in Lane County.

CONTACT:

Johan Mehlum
Chairman of the Board and Chief Executive
541.342.4000/johan.mehlum@siuslawbank.com

Lonnie Iholts
President
541.997.3486/lonnie.iholts@siuslawbank.com